

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

July 3, 2003

IN RE:

**PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY**

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**DOCKET NO.
03-00242**

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 16, 2003 to consider the Petition (the "Petition") of On-Site Systems, Inc. ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include an area known as Highland Cove in DeKalb County, Tennessee.

Legal Standard for Granting CCN

No public utility is permitted to begin construction or operation of a new utility facility or service before obtaining the approval of the TRA. The procedure for obtaining such approval is outlined in Tenn. Code Ann. § 65-4-201(a), which reads in pertinent part as follows:

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility,

or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

Background

On April 6, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

Petition to Amend CCN

On March 28, 2003, On-Site filed its Petition to amend its CCN to expand its service area to include Highland Cove. A map showing the area to which On-Site proposes to extend service is attached to its Petition. On-Site filed a rate schedule with its Petition in this docket which states that residential rates for Highland Cove will be as follows:

Total monthly charge	\$35.11
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

This rate schedule comports with the rate schedule for On-Site approved by the TRA in Docket No. 99-00393.

In its Petition, On-Site contends that neither DeKalb County nor DeKalb Utility District have the desire or ability to provide wastewater service to Highland Cove. In support of this contention, On-Site submitted a letter dated April 17, 2003 from Mike Foster, DeKalb County Executive, stating that DeKalb County provides public sewer service only within the city limits of Smithville and Alexandria. On-Site also submitted a January 14, 2003 letter from Jimmie


Panter, Office Secretary of the DeKalb Utility District, stating that the Utility District offers no sewer service anywhere in DeKalb County.

June 16, 2003 Authority Conference

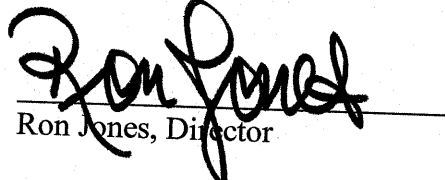
The Directors of this voting panel considered On-Site's Petition at the regularly scheduled Authority Conference held on June 16, 2003 and voted unanimously to approve the Petition.

IT IS THEREFORE ORDERED THAT:

1. The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service area to include an area known as Highland Cove in DeKalb County, Tennessee, as shown in the map attached to the Petition, is approved.
2. On-Site's rates for wastewater service to Highland Cove shall be as listed in the rate schedule filed with On-Site's Petition and as set forth in this Order.


Sara Kyle, Chairman


Deborah Taylor Tate, Director


Ron Jones, Director